

**ALFDC Annual Meeting
Fargo, Arkansas
January 19, 2007**

**Thomas C. Dorr
Under Secretary for Rural Development
Remarks**

Thank you for that very generous introduction. It is a distinct pleasure to be with you again today. I am, as always, indebted to you – Dr. King, JD [James Davis] – for your hospitality ... your advice and counsel ... and your leadership for rural America.

It's also great to see Dick Bell here. Dick has the distinction of being Arkansas' FIRST Secretary of Agriculture, and he's made small and limited-resource farmers a priority. That's a testament not only to his own scale of values but also to the importance of the work you are doing here at ALFDC.

What you are doing ... what the ALFDC is doing, right here in the heart of the Delta ... IS important, in many respects path-breaking. You're leading.

I say this as a lifelong farmer and, for most of my life, a resident of Marcus, Iowa. Marcus is a thriving metropolis of 1,100 people up in the northwest corner of the state. Drive over to Fort Smith, turn right, head north for 600 miles, and you're there.

Where I come from, Brinkley would qualify as a big city although we do have bragging rights with Fargo. We don't have a stoplight, but do have three rail crossings.

As a resident of Marcus, however, I know that places like my hometown ... or Brinkley ... or Fargo ... or thousands of other small towns across rural America are too small to show up on most maps. They're small enough in fact to get lost entirely in the view from Washington, D.C. or New York or St. Louis or even Memphis.

From the national media perspective, we're fly-over country.

But as a resident of Marcus, I believe that our rural communities are worth fighting for – and USDA Rural Development is engaged in that fight. We are committed to the future of rural communities.

It's no accident that most of our people aren't in Washington, D.C. – they're in the field. They are your neighbors – and, I hope, your friends. I'm delighted that several of our Arkansas team are with us today:

- **Roy Smith is our State Director.**
- **Shirley Tucker is director of our Arkansas Rural Business Programs.**
- **Cherry Smith is our state Civil Rights Manager.**

Roy, Shirley, and Cherry, thanks for being here today. The national news media may not know where Marcus or Brinkley or Fargo are -- but Rural Development does and we are proud to be your partners.

I mentioned that I am a farmer. So are many -- perhaps most -- of you here today. As farmers, we understand cycles. We know the seasons can't be rushed. We know the planting comes before the harvesting.

That is as true in economic development and community building as it is in farming. As the Under Secretary for Rural Development, I get invited to both ends of the cycle. When it comes to rural development, the

harvesting is the ribbon cutting, the dedications, the photo ops, and the congratulations on a job well done.

But the planting comes first. That's what we've been doing over the last several years with YOU. We have planted some seeds – this facility where we are meeting today; the outreach program that we've worked on together for small and disadvantaged farmers; the heir property initiative; a sweet potato processing and storage facility in Helena; the Marriott Agreement and the AMS certification process that Scott Mexic will be addressing shortly.

Like any growing thing, these initiatives need time to develop. We-Collectively-all of us- will nurture them along the way. The payoff is down the road-There will be a harvest.

Heir property-The heir property issue, for example, has been 140 years in the making. We're not going to untangle it overnight. But it's a critical issue because we share your concern with the land loss problem and with the economic viability of small and disadvantaged farmers.

Just last week we took an important next step on heir property with the publication in the Federal Register of an ANPR – that's an Advanced Notice of Proposed Rulemaking – soliciting public comment on possible remedies. This is -- again -- a longstanding priority for Dr. King and ALFDC and we look forward to your continued input.

Let me also add that the ANPR is the product of a couple of years of hard work headed up by Bethany Erb. Some of you already know Bethany from the time she spent here researching the issue back in the summer of 2005.

We wouldn't be where we are today without her efforts, and without the wonderful support she received from Dr. King, J.D. Davis, and the rest of the ALFDC family. (Rural coalition) Thank you.

That said, we're in this for the long haul. Clearing title is just a first step. The bigger challenge comes next -- assisting small and limited-resource farmers in developing viable, growing business operations. That's the ultimate goal, and it won't be accomplished overnight.

That is true of most of what we do at Rural Development. We're not in the quick-fix business. We're in the opportunity business and our intention is to build for the future.

I truly believe – thanks to broadband and distributed computing ...thanks to renewable energy ... thanks to biobased products ... thanks to new opportunities for branding and marketing – that we are in the early stages of what we have started calling a “Rural Renaissance.” But it also takes entrepreneurs.

It's exciting to be a part of it. Not so long ago, our predecessor agencies were widely regarded as lenders of last resort. That's no longer the case. Today we are something very different – an investment bank for rural America.

Last year nationally we invested over \$17 billion in rural infrastructure, housing, community facilities, and businesses. In Arkansas alone, we invested over \$411 million last year – over \$2 billion since 2001.

We've roughly doubled our program level from five years ago – and by the way, we're doing it with significantly fewer staff. We're working hard to get more efficient ... embrace new technology ... bring functions on-line ... be more accessible, more transparent, and more responsive.

Let me add that I take cost-effectiveness very seriously. In the President's 2007 Budget, we accounted for just 2.3 percent of USDA's government budget authority but we generated 11.5 percent of the Department's program level. We did that by using federal dollars to leverage private investment. We get a pretty good return on your tax dollars.

In the Delta, this has translated into projects like:

- A telemedicine grant to the White River Medical Center in Augusta, with 15 satellite clinics in the region.
- Or a KIPP [Knowledge Is Power Program] charter school and wellness center in West Helena.

- Or a Rural Business Enterprise Grant to help build the Helena sweet potato plant I mentioned earlier.
- Or any of the other the other AFLDC partnerships that I've already mentioned.

Project-by-project, it adds up. The opportunities are there – IF we can continue to develop an entrepreneurial culture and provide the access to investment capital and technical support that rural entrepreneurs like you need to thrive.

An example I've often used is the Farm Balance Sheet, which is computed by the Economic Research Service at USDA. The Farm Balance Sheet shows farm assets in this country in excess of \$1.9 trillion and net farm equity greater than \$1.7 trillion. That is roughly 1,000 times larger than our annual program budget at USDA Rural Development. That should show you who is the tail and who is the dog.

If you, all of us- can just connect the assets – the financial resources that are ALREADY in rural America, rural entrepreneurs, technical

support where it's needed, and new technology and new markets -- we can get the job done.

That's our mission – and it's YOURS at ALFDC. This is about leadership, technical support, and developing skills. Most of that can't be done, at least not very well, from a headquarters building in Washington, D.C. But it CAN be done by YOU and with the support of Rural Development people in the field.

In closing, let me say again that I truly value our partnership and my relationship. We've planted some promising seeds. We'll work with you to bring them along. You've got some real leaders here.

Thank you for all you've done, and I look forward to visiting again sometime down the road when we're ready to bring in the next harvest.

Thank you.